

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

MCKESSON AUTOMATION, INC.
a Delaware Corporation,

Plaintiff,

V.

Civil Action No. 1:06CV00028 ***

TRANSLOGIC CORPORATION
a Delaware Corporation, and

SWISSLOG ITALIA S.P.A.
an Italian Corporation,

Defendants.

JOINT STATUS REPORT

Dale R. Dubé (#2863)
BLANK ROME LLP
1201 Market Street, Suite 800
Wilmington, DE 19801
Tel: (302) 425-6472

Julia Heaney (#3052)
MORRIS, NICHOLS, ARSHT &
TUNNELL
1201 North Market Street
P.O. Box 1347
Wilmington, DE 19899
Tel: (302) 658-9200

Blair M. Jacobs
Robert A. Gutkin
Christina A. Ondrick
SUTHERLAND ASBILL & BRENNAN LLP
1275 Pennsylvania Avenue, NW
Washington, DC 20004
Tel: (202) 383-0100

Lawrence C. Drucker
Alfred R. Fabricant
Richard LaCava
DICKSTEIN SHAPIRO LLP
1177 Avenue of the Americas
New York, New York 10036
Tel: (212) 277-6500

*Counsel for Plaintiff
McKesson Automation, Inc.*

*Counsel for Defendants
Translogic Corporation &
Swisslog Italia S.p.A.*

I. Present Status of Case and the Court's Scheduling Orders

This case is in the discovery phase (see Section III below). The Stipulated Amended Scheduling Order (D.I. 62), dated October 26, 2006, amended the original Scheduling Order (D.I. 38). Pertinent dates are as follows:

- Fact Discovery Cut-off: May 15, 2007;
- Expert Disclosures: Initial disclosures on June 29, 2007; supplemental and/or rebuttal disclosures on August 21, 2007; expert discovery cutoff on September 13, 2007;
- Case Dispositive Motions: October 12, 2007;
- Claim Construction: Joint Claim Construction Chart and Opening Briefs on October 12, 2007; Responsive Briefs on October 26, 2007; Claim Construction Hearing on November 19, 2007;
- Pretrial Matters: Joint Proposed Pretrial Order on February 15, 2008; Pretrial Conference on March 17, 2008; and
- Trial: 10 day jury trial from April 14-25, 2008.

The parties have consulted and agreed to request that the Court permit the above dates to be modified as follows: (i) that the fact discovery cut-off be extended from May 15 to July 31, 2007; (ii) that the date for initial expert disclosures be extended from June 29 to July 31, 2007. None of the dates for case dispositive motions, claim construction, pretrial matters or trial should be affected if the proposed changes to the schedule set forth above are permitted by the Court.

II. Outstanding Motions

There are no outstanding motions at this time.

III. Status of Discovery

Discovery is ongoing. McKesson's document production is substantially complete and should be completed by January 26, 2007. Defendants have completed their respective document productions. Depositions have begun and the parties have each noticed additional depositions. Instead of filing one omnibus deposition notice directed toward each Defendant, McKesson served 7 topic specific Rule 30(b)(6) deposition notices to Translogic and 9 topic specific Rule 30(b)(6) deposition notices to Swisslog Italia. The defendants have objected to the

number and scope of these notices. McKesson objects to the scope of Defendants' omnibus deposition notice. Without waiving their rights, the parties are discussing ways to amicably schedule and limit the potential number of depositions and total deposition time covered by such notices so that discovery may be conducted as efficiently as possible for all parties involved. It is anticipated that the outstanding depositions likely will be completed by May 2007 and additional depositions are anticipated.

McKesson served its Preliminary Infringement Contentions on December 22, 2006. Defendants are presently scheduled to serve their Preliminary Invalidity Contentions on February 8, 2007 (extended by agreement of the parties). On or before January 30, 2007, Defendants are scheduled to disclose whether they are relying on an opinion of counsel as part of a defense to a willful infringement claim and disclose any such opinion, related documents and privilege log, if any. The parties have agreed to extend both of these dates to February 28, 2007 and request the Court's consent to this.

IV. Mediation/Settlement

There is a mediation hearing scheduled for February 21, 2007 with mediation statements due on February 9, 2007. Your Honor is scheduled to preside over the mediation. Because this case has been reassigned from Judge Jordan to Your Honor, the parties anticipate that they will request that the mediation be conducted by a mutually agreed upon third party. The parties are evaluating using one of the Special Masters for patent cases or a practitioner specializing in alternative dispute resolution. With the Court's approval, we will submit a revised mediation plan once the parties have agreed upon a mediator and appropriate timing, with the goal to agree on a date for the mediation as soon after February 21, 2007 as possible, subject to the availability of the new mediator and the parties.

The parties have discussed settlement of this case. Those discussions were unsuccessful.

Respectfully submitted,

/s/ Dale R. Dubé

Dale R. Dubé (#2863)
BLANK ROME LLP
1201 Market Street, Suite 800
Wilmington, DE 19801
Tel: (302) 425-6472

/s/ Julia Heaney

Julia Heaney (#3052)
MORRIS, NICHOLS, ARSHT &
TUNNELL
1201 North Market Street
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